



Senate Fiscal Agency
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Senate Bill 592 (as enacted)
Sponsor: Senator Rosemary Bayer
Senate Committee: Civil Rights, Judiciary, and Public Safety
House Committee: Judiciary

PUBLIC ACT 228 of 2023

Date Completed: 9-10-24

CONTENT

The bill amended the Opioid Liability Litigation Act to prohibit a political subdivision of the State from commencing or maintaining a legal action related to the released claims of entities in the Allergen settlement, the CVS settlement, the Teva settlement, the Walgreens settlement, and the Walmart settlement.

The bill took effect on November 22, 2023.

The Act prohibits a political subdivision of the State from commencing or maintaining specified legal actions related to opioid settlements. The bill added the following actions to the prohibited list:

- After January 1, 2022, an action related to the released claims as defined in the Allergen settlement against the released entities as defined in the Allergen settlement.
- After January 1, 2022, an action related to the released claims as defined in the CVS settlement against the released entities as defined in the CVS settlement.
- After January 1, 2022, an action related to the released claims as defined in the Teva settlement against the released entities as defined in the Teva settlement.
- After January 1, 2022, an action related to the released claims as defined in the Walgreens national settlement against the released entities as defined in the Walgreens national settlement.
- After January 1, 2022, an action related to the released claims as defined in the Walmart settlement against the released entities as defined in the Walmart settlement.

("Political subdivision" means a public body corporate in the State, an agency of a public body corporate in the State, a nonincorporated body in the State of whatever nature, or an agency of a nonincorporated body in the State. The term includes a county, city, village, township, school district, or special district or authority of the State.)

"Allergen settlement" means the master settlement agreement arising out of the MDL and entered into by State with Allergen Pharmaceuticals. "CVS settlement" means the master settlement agreement arising out of the MDL and entered into by the State with CVS Pharmacy. "Teva settlement" means the master settlement agreement arising out of the MDL and entered into by the State with Teva Pharmaceuticals. "Walgreens national settlement" means the master settlement agreement arising out of the MDL and entered into by the State with Walgreens Pharmacy. "Walmart settlement" means the master settlement agreement arising out of the MDL and entered into by the State with Walmart.

("MDL" means *In re Nat'l Prescription Opiate Litigation*, multidistrict litigation consolidated in the United States District Court for the Northern District of Ohio, Case No. 1:17-MD-2804.)

MCL 691.1672 & 691.1673

BRIEF RATIONALE

In 2021, Johnson & Johnson, McKesson, Cardinal Health, and AmerisourceBergen reached a \$26.0 billion nationwide settlement to resolve all opioids litigation brought by states and local political subdivisions, with Michigan slated to receive approximately \$776.0 million over 18 years. Public Acts 93 through 95 of 2022 created the Michigan Opioid Healing and Recovery Fund to receive the settlement's proceeds and prohibited political subdivisions from commencing or maintaining legal actions against these entities related to the settlement; according to testimony before the Senate Committee on Civil Rights, Judiciary, and Public Safety, the prohibition helps ensure that Michigan receives all the settlements' proceeds. In 2022, additional opioid settlements with Allergan, CVS, Teva, Walgreens, and Walmart were announced. Testimony also indicated that four of the five settlements (all except the Walgreens settlement) are estimated to bring \$445.0 million to the State and the Walgreens settlement is expected to bring \$338.0 million to the State.¹ It was recommended that the prohibition against a political subdivision commencing legal actions also apply to these settlements so Michigan receives all the settlements' proceeds.

Legislative Analyst: Eleni Lionas

FISCAL IMPACT

The bill will have no fiscal impact on the State or local units of government. It codified existing settlement agreements.

Fiscal Analyst: Michael Siracuse

¹ "Opioid Settlement Resource Center", <https://micounties.org/opioid-settlement-resource-center/>
Retrieved on 10-17-23.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.